

**CRANSTON SCHOOL COMMITTEE MEETING
JANUARY 23, 2017
WESTERN HILLS MIDDLE SCHOOL
400 PHENIX AVENUE, CRANSTON, RI 02920
EXECUTIVE SESSION – 6:00 P.M.
IMMEDIATELY FOLLOWED BY PUBLIC MEETING
IMMEDIATELY FOLLOWED BY PUBLIC BUDGET WORK SESSION**

MINUTES

The School Committee meeting was held on the evening of the above date at Western Hills Middle School with the following members present: Chairperson Ruggieri, Mrs. Culhane; Mr. Fusco, Mr. Gale, Mr. Traficante, Mr. Turchetta and Mr. Wall. Attorney Cascione was not present during Executive Session.

The meeting was called to order at 6:04 p.m. **It was moved by Mr. Gale; seconded by Mr. Traficante to convene to Executive Session pursuant to RI State Laws. The roll was called; all were in favor: Mrs. Culhane – Yes; Mr. Fusco – Yes; Mr. Gale – Yes; Mrs. Ruggieri – Yes; Mr. Traficante – Yes; Mr. Turchetta - Yes; Mr. Wall – Yes**

PL 42-46-5(a)(1) Personnel:

PL 42-46-5(a)(2) Collective Bargaining/Litigation:

- a. Teachers
- b. Custodians
- c. Secretaries
- d. Aramark Food Service

PL 42-46-5(3)

- a. District Safety Plan

Adjourn Executive Session

Call to Order - Public Session at 6:17 p.m.

The roll was called; a Quorum was present

Executive Session Minutes were sealed – Mrs. Ruggieri stated that no votes were taken in Executive Session and that all personnel listed above were notified. **A motion was made to seal the minutes of the executive session by Mr. Wall; seconded by Mr. Fusco. The roll was called; all were in favor: Mrs. Culhane – Yes; Mr. Fusco – Yes; Mr. Gale – Yes; Mrs. Ruggieri – Yes; Mr. Traficante – Yes; Mr. Turchetta - Yes; Mr. Wall – Yes.**

A motion was made to approve the Minutes of Previous Meetings - January 17, 2017 (Budget Work Session) by Mrs. Culhane; seconded by Mr. Traficante. The roll was called; all were in favor.

Public Acknowledgements/Communications - None

Chairperson's Communications - None

Superintendent's Communications - None

School Committee Member Communications

Mr. Wall stated – Very briefly, my comments tonight have to do with something that is going on in the national level. Last week, the Senate began confirmation hearings on President Donald Trump's cabinet choices. I would say in a field of highly controversial individuals, Betsy DeVos, the President's choice for Secretary of Education, may very well be the most polarizing. She is a Michigan billionaire who has spent much of the last 10 years being an outspoken critic of traditional public education and as an advocate for school choice and public school tuition vouchers. In fact, given her expressed disdain for public schools, one would wonder why she would seek a position that involves promoting and supervising them. I commend Senator Whitehouse and the other senator's efforts in commitment to, as the President likes to say "extreme vetting." As I, for one have serious misgivings regarding Ms. DeVos candidacy for this office. If she is confirmed, it is my opinion that given her lack of experience with regard to public education, she would be the least qualified person ever to hold the position as Secretary of Education for the United States.

Mrs. Culhane stated – To ride on the coattails of my colleague's comments, I agree wholeheartedly. My daughter and two of her friends have actually started a webpage and it is www.donthaveavotebuthaveavoice.wordpress.com. What these three kids are doing (one is in high school, two are in middle school), is they are trying to reach out to public school students throughout the country and trying to encourage students to have a voice in this vote and contact their Senators to discuss with them why they as public school students think Ms. DeVos is the wrong choice for public education. Feel free to reach out to me if you would like more information. It is good way for students to get involved in their education.

Mr. Fusco stated – I would just like to congratulate Arlington School. In the Herald this week they received a grant from James Patterson and the Scholastic Reading Club for \$1,000. This grant will help purchase books for the library and the special reading program. This is one of my favorite authors and a great school in our City.

Public Hearing

- a. Students (Agenda/Non-Agenda Matters) - None
- b. Members of the Public (Agenda Matters Only) - None

Public Hearing on Non-Agenda Items – None.

A motion to adjourn to Public Budget Work Session was made by Mr. Wall; seconded by Mr. Traficante. The roll was called; all were in favor.

Public Hearing on Proposed Budget for 2017-2018

Mr. Traficante stated – A couple of general questions first. As I was going through the budget, I noticed that there is a debt line item. How does the School Department accumulate debt and what area? I always thought that was the responsibility of the City.

Mr. Balducci stated – It is. That account is actually a carryover from when the School District was in a 5 year repayment plan. When we had to budget out annual appropriations, which was approximately 1.3 million dollars, I classified that as a “debt” payment. That is why that category or description is still being reflected in the budget.

Mr. Traficante stated – I know it is a small amount, around \$35,000.

Mr. Balducci stated – You will have to point me to that particular account. In general, the category of “debt” and that is the reason why it is showing up in the budget because of prior years’ activity.

Mr. Traficante stated – My second general question, I notice in your predications for 2018, 2019 and 2020, you predicted somewhere around a 2 million dollar deficit in 2018, a 5 million dollar for 2019 and 6 million dollars for 2020. Am I correct?

Mr. Balducci stated - Yes. If I could refer everyone to a page 6, just past the Executive Summary portion of the document. I think that is what Mr. Traficante is directing me to. If I could explain sections of that, in response to his question. The first column is 2017-2018, the current proposed budget for next year. Of course that is showing a break even, zero surplus/deficits. As it is a requirement now of RIDE and also the State, that a School District budget has to report 3 years after that. The top half is revenue and then it is all expenditures. I will stay on revenue for a second. In State aid in 2018 is the last significant increase this year, approximately 3.5 million dollars. I am making the assumption that State aid is going to stay at the 58 million 3 years out. That is a significant assumption on my part. The other assumption regarding revenue is next year we are asking for 94.2 million from the city. I am level funding that 3 years out. I do not know what that number will be. First of all, I don’t even know if the 94.2 million is set in stone right now. I am making an assumption that the revenue category is going to be level funded 3 years out. On the expenditure side, I have to assume that certain expenditures are going to go up a minimum of inflation. If you look to the far right, you will see that a percentage column, those are the percentage increases that I make the assumption that year after year those expenditures are going to go up. Most of it is at 1%. Health and Dental, I am assuming a 3%. In the middle you will see certified pension/non-certified pension – that is 16.14% and 10.25% is the rate I am paying next year. I am making the assumption that rate is going to stay for the next 3 years out beyond that. After making all of those assumptions, Mr. Traficante is right. In 2018-2019, without any increase in State aid or City appropriation, unfortunately the District will be looking at a 2.8f million dollar deficit, unless other changes are made within the budget. Unfortunately, that deficit grows because it is a year over year cumulative effect of not increasing State aid or City appropriation. Again, it goes 2.8, 5.6 and 8.6 of the third year out. Hopefully that answers your question.

Mr. Traficante stated – It does. On page 3, I want to talk about Medicaid reimbursement services in the 2016-2017 budget. We added \$150,000. I am taking this from the proposed budget last year. That amount now stands at \$950,000, am I correct?

Mr. Balducci stated – You mentioned page 3, but I think it is on page 14.

Mr. Traficante stated - I went back and forth and put on page 3 of my notes. Sorry.

Mr. Balducci stated – If you go to page 14 – revenue side of the budget. You are correct, in the middle there are two *Medicaid Reimbursement* accounts. One is for Services and the other for Administrative purposes. What I refer to as *Direct Services*, which is a student that is Medicaid eligible and receiving Special Ed. Services. We as a district go back and chase money down from the Federal government. That category I am reflecting currently at \$950,000.

Mrs. Ruggieri stated – I just wanted to elaborate on that for a moment. A few years back when we changed over companies, we noticed a decline in our reimbursement numbers and then going back and forth. I am seeing that we are not expecting any additional reimbursement for services, but our population has increased and our services have increased. I am just curious as to why we are not assuming an increase and why we are not pursuing an increase in reimbursement if we look at our numbers.

Mr. Balducci stated – Let me answer from a dollar standpoint. If you look at the numbers, it has 2013-2014, we brought in \$926,000. In 2014-2015, we brought in 1.1 million. The year that just closed last year was just over 1 million dollars. We have been receiving additional dollars coming in. I took a conservative approach. Mr. Traficante is right, in those years where there were actual numbers, we were budgeting \$800,000. I felt comfortable going up an additional \$150,000 to the \$950,000 level. That was the approach I took. Can we squeeze a little bit more money out of it? Possibly, but not a significant amount.

Mr. Traficante stated - Let me add to my question. Our actual in 2015-2016, was 1.35 million, right?

Mr. Balducci stated – Correct.

Mr. Traficante stated – Are we going to be able to stay at the \$950,000 limitation and not go over?

Mr. Balducci stated - I believe we will. We bring in the company, PCG (Public Consultant Group). We meet several times a year to see where we are and where think we will be financially at the end of the year. We met not that long time ago and they felt comfortable that they would be able to achieve the \$950,000 and then some. Again, a small amount above that, but they are comfortable with the \$950,000 and so are we.

Ms. Simpson stated – I just want to add that sometimes students move and they may be a child that is Medicaid eligible and a child that brings in a lot of income. That is one thing that we did talk about with Joe is that we have a student that we collect a lot of money this year, but she will be graduating and we know that we can't count that money. We already know we are going to be shorter this year and we want to take that into account.

Mr. Turchetta stated – Joe, I have a quick question regarding the Medicaid. Are the teachers required to take a survey and the results of the survey, is it directly related to them amount of money we receive?

Mr. Balducci stated - Yes. They are required to take a survey of a weeks' worth of time, four times a year. Basically, what they did that particular week, what service did they provide and so forth and so on. That is not the \$950,000 category that is the one below it which I refer to as *Administrative*. Again, we have partnered with the University of Massachusetts that takes the information from the time study and then puts it together and then submits it for reimbursement from the Federal Government. To answer your question, yes we do that. In that particular category we are predicting about \$400,000 in reimbursements.

Mr. Traficante stated - Your *Medicaid Reimbursement* is fine. You budgeted \$412,000 and it is around the same number. You level funded that which is certainly in a safe area. Regarding *Vocational School Tuition*, we decreased that budget by \$300,000 in 2016-2017, the actual for that year was \$772,000, you budgeted \$820,000. What was the reason for the increase?

Mr. Balducci stated – In anticipating growth, as far as students coming to our Career and Tech School. Each year it seems like our per pupil tuition that we are able to charge based on the formulary we receive from RIDE, that amount does increase year over year. I know we have been having a couple of meetings that I have attended Statewide, just looking at the overall funding of Career and Tech schools, so I am confident we will receive the \$800,000 (approximately) projected not only for this year, but next year as well.

Mr. Traficante stated – That is safe area?

Mr. Balducci stated – It is.

Mr. Traficante stated – *Outside Rentals*. We increased that by \$20,000 in 2016-2017. The actual was \$68,000, you budgeted it at \$100,000. Why?

Mr. Balducci stated – In the past, that line item use to be \$80,000. If you look at the track record, except for 2015-2016 year, there was a reduction in there. We were well over the \$80,000, that is the reason why I went to \$100,000. That is in the area I do look at closely. That is an area where sometimes we do and unfortunately sometimes we don't. I may come to you when we get further in this budgets season for next year and I have more data in front of me. When we have to make possibly some last minute adjustments that might be an area where I may recommend a reduction unfortunately, instead.

Mr. Traficante stated – I realize that you do not have any actual numbers for the current year, so I am sure some of these numbers will change.

Mr. Balducci stated – They will. Again, that might be an area where we will have to look at.

Mr. Traficante – Under *Other Revenue*, you decreased it by \$351,000 in 2016-2017. The actual is \$917,000. You budgeted \$375,000. That is a decrease of about over \$200,000. Why?

Mr. Balducci stated – It is. The major reason for that is if you recall in 2015-2016, the City Council gave us a onetime infusion for both middle school sports and music. That was about \$426,000. Within that \$900,000, is actually \$426,000 of that was a onetime contribution to the District. I brought it back to the level that I think I am comfortable in getting, so that is the \$375,000 level. If you recall, that was not continuous appropriation. I recognize the one year and budgetarily I had to bring it back down to a more reasonable level.

Mr. Traficante stated – Understandable.

Mrs. Culhane stated - Can I piggyback on that? As we predicted, at that meeting, the City Council created a structural deficit for us?

Mr. Balducci stated – They did.

Mrs. Culhane stated – We said that was going to happen when they did that?

Mr. Balducci stated – Yes.

Mr. Traficante stated – Joe, on page 3 again, under *New Personnel* you predicted an increase of \$1,067,000 approximately, yet we budgeted \$3,221,000. Why?

Mr. Balducci stated - I can tell you *New Personnel*, the majority of that is to fund an additional grade at Hope Highlands Middle School. That is the bulk of new personnel.

Mr. Traficante stated – You think it is going to increase by that margin?

Mr. Balducci stated – In preparation for Thursday's meeting, I can give you a document to support the positions behind that dollar amount.

Superintendent Nota-Masse stated – We looked at the positions and it comes to 15.6 FTE's, that includes certified and non-certified staff to service the Hope Highland's additional grade.

Mr. Traficante stated – Can you give us a breakdown of that?

Mr. Balducci stated – Okay.

Mr. Traficante stated – Can you explain what *District Wide Compensation* is all about? I do not understand it. You budgeted \$314,000.

Mr. Balducci stated - Actually it is two-fold. The first part of it, we will be in negotiations with a few unions coming up – Secretarial, Custodians and Bus Drivers. We did set aside dollars in anticipation of those negotiations. That is the majority of the dollars set aside. The other component of that, we have a number of Administrators whose contracts will expire in June. If you recall, the Superintendent and the School Committee adopted a step scale for our certified administrators. For those administrators whose contract expires in June 2017, I moved them into next year to the next step. I think the conversation took place that we would possible entertain

salary adjustments to those administrators whose contracts were going to expire and then enter into another contract cycle.

Mr. Traficante – On page 4, *Charter School Tuitions* and I know Domenic asked a question on that, so this will probably lead to his question and I will come back to some of mine. You have \$651,000. As you know the Charter Schools, not Mayoral Academies, because of the adjustment in the State Education Formula, we personally lost about \$100,000. That is understandable. The fact that the School Department has other entities that we are not responsible for. Therefore, we had to lean heavily on the contribution of the School Department. Domenic you wanted to ask a question about that?

Mr. Fusco stated – Yes. I was satisfied with what I asked for. I was just looking for a breakdown by the student population and who went where to have a better understanding.

Mr. Balducci stated – If I could respond. Every year the local contributions to Charter Schools do change based on the final state budget. Not knowing what that number is, when I spoke to Fiscal Office at RIDE, Cranston pays approximately \$8,500 per student going to outside Charter Schools. I use that same dollar amount going into next year. The only thing to account for is the approximately \$600,000 increase. I also received from RIDE their projection of Cranston student residents going to outside Charter Schools. So the increase is purely based on numbers, not their contribution rate going into next year.

Mr. Traficante stated – Each community is different in terms of percentage of state aid versus local aid. Providence has a great deal of State aid, but very little local aid and just the opposite in a community like Barrington or East Greenwich. How do you calculate it?

Mr. Balducci stated - Actually, the demographics of the city is one of the contributing factors that determine the share ratio. At the end of the day, we as a district will send no more than our per pupil. As far as who pays that per pupil, then it is based on how wealthy or poor a community is in relation to the per pupil. We are approximately on a 50/50 split, because of the demographics of the city of Cranston, but you mentioned Providence. Providence is probably the 80/20, 80% being State and 20% being local contributions of Providence's per pupil. It all depends on how rich or poor the community is.

Superintendent Nota-Masse stated – The numbers that we provided to follow up with Mr. Fusco's question, we have 91 students going to our own Charter School. If you look at the list we provided, we are also experiencing children going to programs under the CTE umbrella, which is separate from Charter Schools. We have Charter Schools that we all know and love, like Highlands, Kingston Hill Academy, International Charter Schools, Beacon, Achievement First, etc. We have a number of students going to those Charter Schools, outside of our own. Along that same funding stream, we have CTE Programs. Again, we have our own CTE Program at Cranston West, but we are experiencing an uptick in programs that are deemed CTE Programs, that are housed in other comprehensive high schools. So, it would be Cranston High School East developing a program and then charging outside tuitions to students in different districts for them to come to Cranston East for a particular program. With the changes in the regulations, we can charge a tuition rate and currently that has been a hotly debated topic at RIDE about changing the formula for how we pay tuitions. Districts are setting prices without any regulation. When we determine our tuition rate

for our Career and Tech program, we use a formula devised by RIDE. Like it or not, we use the RIDE approved formula. It is a very arduous process. It reflects minutes down to all the time in a child's school day, down to the minutes, how we can charge. Some of these other programs are just coming up with numbers that do not exactly align to the formula we use. If you look at the memo that Joe gave you, we are budgeting for 7 children to go to Pathway Programs and approximately the cost for those is \$18,000 a student. We are charging \$13,000 (est) for our Career and Tech. What I am trying to get at is as students are leaving the District, the money is going with them and it is adding up, adding up and snowballing each year to the point where we are looking at 339 students, take off our 100 students of our own, over 200 students leave our District. We have to pay for them to leave and that is a problem.

Mr. Traficante stated – If that is an IEP student, do you have to reimburse that particular school or District to Special Education aid formula?

Superintendent Nota-Masse stated – The tuition may vary depending on the students needs. For a student who comes to our Career and Tech, when we configure the tuition for that student, if that student has Special Education services, it is considered in the UCOA formula what they get. There is a sliding scale if the child is a resource student to a self-contained student, the cost might be different. That is figured into the tuition costs. We may charge \$21,000 for a student who receives a great deal of services, and \$13,000 or \$14,000 for a student who does not.

Mr. Traficante stated – If a student comes to our Charter School and it is an IEP, Special Education student, we do not get the Special Education monies, correct? We get the regular education dollars. Why is it that we pay out, but we do not get it back in return?

Superintendent Nota-Masse stated – I think it works both ways. That \$18,000 I keep alluding to, embedded in that is the Special Education cost. Even if the child is a regular ed student. When I did some digging about the per pupil cost for this District where we are giving money for tuition, it is over the per pupil. I am assuming they have already embedded some of the costs to cover this.

Mr. Traficante stated - Do we get reimbursed for IEP/Special Education monies because of the Charter School?

Mr. Balducci stated – No.

Mr. Traficante stated – I didn't think so.

Mr. Balducci stated – Because the rate we can charge, I go back to our District per pupil and it is just a share ratio on how the Charter School gets that money.

Ms. Simpson stated – Also, I will add the Charter School we have our own LEA, so we are responsible for all those services there whether the student is a Cranston student or not, unlike the Charter Schools, they are their own LEA. This is a different situation. There are only 3 of them that are run like us.

Mrs. Culhane stated – If I may ask a question through the Chair to the Superintendent, does RIDE not require all these schools to use the same formulary as we use?

Superintendent Nota-Masse stated- That is correct.

Mrs. Culhane stated - Why and who do we lobby to make sure that they are doing that?

Superintendent Nota-Masse stated – The formula was given to us a few years ago from RIDE with the stipulation that it is not a mandatory formula, however, if we came up with an arbitrary number and we were challenged by an ascending district, they would default to the formula. We do a lot of business in Johnston. If Johnston looked at our tuition and said that it is kind of high, we are going to challenge your numbers, RIDE indicated to us that it would default to the formula and we would have to follow the formula. This was before my time. When Joe looked at it and said why wouldn't we just follow the formula out of the gate. Again, it is a huge spreadsheet. It has things right down to the minutes where a student goes during the day. We follow that.

Mrs. Ruggieri stated - So we are going to challenge any district that charges us more than the going rate.

Mrs. Culhane stated – We should.

Superintendent Nota-Masse stated – I am in the process of doing that now with 9 other school districts.

Mrs. Culhane stated – Who would we lobby to get that changed so that every school has to do the same thing. Have schools been challenged or is everyone just doing their own thing?

Superintendent Nota-Masse stated – No. Schools have been challenged. There have been some changes in regulations with CTE programs that have expanded programs throughout the state. While on its surface, it is good because it is expanding opportunities for students. It is at the same time pitting districts against one another for the dollars that follow the student. Again, I as a representative, Joe and 9 other districts are challenging the tuition costs for a CTE program. Right now it is at RIDE. I am a member of small CTE Funding Group that is examining all that. We are in the process of trying to sort that out. My contribution to the group would be that we already have a formula and districts have been using, why is it different.

Mr. Traficante stated – I think that we have to approach probably Senator Gallo and a few others about the fact that kids coming to our Charter school are getting the best deal in town. If they are an IEP student, we are not getting reimbursed for it. You are bearing the burden of that student. I do not think that is fair, especially if we can't do it from our end. I think that is something we should pursue.

Superintendent Nota-Masse stated – The bottom line is there is all different formulas, different kinds of schools, different programs. There are in district charters, out of district charters. There are CTE centers like we have in Newport, Woonsocket, Davies...those are centers. They are expanding the programs to be comprehensive schools, but they are charging more. I am putting out more than my per-pupil to these programs. I have no say over children leaving and going to these programs. I cannot deny them even if we have comparable programs. This is the problem going on in South County. One district has "Agriculture" and a neighboring district has

“Agriculture”. A child has asked to go from Point A to Point B for the same program. Point A has to pay for the child to go to Point B for the same program.

Mrs. Ruggieri stated – I do not want to hop on this because it is a bigger picture. There is no regulation to say that we offer this and you can’t go. Or, if they would like to go, that is their financial burden, not the Districts. We offer this. From what I can see in some of the other programs as well as we are offering some really great programs. There has to be some kind of parity between the programs. There has to be some core courses that need to be embedded into this. What I am hearing and seeing is there is not that regulatory body saying they can come to our school for “Agriculture” but you also need math, English, history....core subjects. I am not seeing that piece either. Is there a regulatory body over these? Is this a “learning as you go” kind of thing?

Superintendent Nota-Masse stated – This has been a recent phenomenon for school choice and that is what it is. Children can choose to go to different programs. If a child in our district said that they really wanted to go to an “Agriculture” program, could understand finding a CTE approved program that offers agriculture and paying tuition for that student to go. I understand that. We want to do what is best for our kids. We want to offer the most valuable opportunities, but what is bothersome is if a child comes and says they want to go to District “X” for Culinary and we have a award winning Culinary program in our backyard, I still have to pay for that child to go. It is part of RIDE’s visions. It is causing some chaos throughout the state. It is not just a Cranston thing. It is happening. There are some cases going up to RIDE, not from this District, which may set some case precedent.

Mr. Traficante stated – I think it is worth pursuing with our own Charter School because we are being treated unfairly. On the same page *Transportation Fleet*. You decreased that amount by \$138,000. What is happening with our program that we started a couple years back with purchasing of new buses and some secondhand buses? Is that still intact?

Mr. Balducci stated – Yes, a couple of years back we were able to replace, in the first round of purchases, 15 small buses and 9 slightly used large buses. Then the second year, the 15 turned into 13 small buses and also 9 slightly used large buses. The year we are in, we were only budgetary able to replace 2 and 2; 2 small and 2 large. Now you are asking this year, going into next year. The line item has been reduced because there are no new buses or slightly used buses projected into next year’s budget. The reduction of \$138,000 is only my debt service. The new ones we have leased to own over a 5 year commitment. Going into next year has been reduced by \$138,000.

Mr. Traficante stated – Does it have an impact upon the fact that we had some programs this year with the middle of our city having overcrowded buses and still have approximately 10 combo runs. Does that impact that?

Mr. Balducci stated – Not that I am aware of.

Mrs. Ruggieri stated – Drivers.

Mr. Traficante stated – Do you still have the driver problem? Did we overcome those issues with enough drivers?

Mr. Votto stated – Yes.

Superintendent Nota-Masse stated – Do not forget the combo runs were for this year only. That was to accommodate the Western Hills 8th graders. I have the utmost confidence in our new Director to make sure that will not happen again and we run efficiently.

Mrs. Ruggieri stated – As far as continuing the Transportation program, what we are trying to do right now instead of budgeting for a replacement is because now we have all-day Kindergarten and we do not need to continue replacing our small busses at the rate we were. We are also going to be looking at the replacement fleet we have now. Depending on where we are. This year, we did not feel that we needed to continue at the rate we were going and to give it a break for one year. We will assess what we have and review it. We are in good shape as far as going forward with that.

Mr. Turchetta stated – Next year regarding the buses, will the middle school students still have to take the same bus as the high school next year.

Superintendent Nota-Masse stated- The reason that was done is because the 8th graders that remained at Western Hills, their siblings or children in that geographic area, will now go to Hope Highlands. That will eliminate the combo run.

Mr. Fusco stated – We are not going to be purchasing any more this year. I know you said we are doing an evaluation on where we are. Roughly, what kind of shape is the fleet in at this time?

Mr. Balducci stated – If we continue budgeting for new small busses, I believe the need would be for an additional 4 buses going into next year and we will have had replace our entire fleet. Now our small buses will now be 3 years old. On the large bus side, we were in a 4-5 year purchase plan with 10 buses a year. It will take a little bit longer to replace those. When we do replace a large bus new, that is about \$80,000. We have been buying 5 year old busses. Our most recent fleet was \$49,000 (approximately) but they were all 5-6 years old. That is the difficulty we are running into. Even if we decided to lease new buses over a period of time, a small, non-wheelchair bus is approximately \$48,000. A wheelchair bus is about \$10,000-\$12,000 onto that price. Again, when you are buying a large bus you run into the \$80,000-\$85,000 price range.

Mr. Fusco stated - Are we confident with the fleet that we have? Is it capable of handling the load that we need to transport our children where they have to go?

Mr. Balducci stated – The Department of Transportation forces that on us so to speak. Each bus is inspected a number of times during the year. If they are not, the Department of Transportation lets us know about it, we make the necessary repairs. We have an outside agency assuring that for us.

Mr. Fusco stated – Thank you.

Mr. Traficante stated – In the good old days, going back a few years, when we had bond money our buses lasted anywhere between 10-15 years. Were we purchasing busses with that bond money?

Mr. Balducci stated – I don't believe so. The reason why I say that is because to assist the city, we are going to spend those dollars where the City gets back 52 cents on the dollar. Buying buses does not meet that definition. So if we use City bond dollars, the City would be absorbing the full cost of that debt and not getting any assistance back.

Mr. Traficante stated – Every year the City purchases new vehicles, all kinds of vehicles and equipment. That is why I asked the question.

Mrs. Culhane stated – If you recall, Janice and I had a meeting with the Mayor and he specifically said there is no way he would ever bond for buses.

Mrs. Ruggieri stated – He said the depreciation value is why the City would never support bond money for buses.

Mr. Balducci stated – That is true. If they bonded 20 years, you would not have the bus anymore as an asset.

Mr. Traficante stated - I understand. It just seems kind of one sided. Joe, under *Staff Reductions*, the Superintendent just said that we are going to increase the FTE's to 15 or 16 for Hope Highlands School. Where are these staff reductions coming from to the tune of 6 million?

Superintendent Nota-Masse stated – The class sizes across the board at all of our schools, programming. One is a change in Special Education regulations that required us to have 2 teachers with one group of students. We no longer have to do that for RIDE regulations. Some schools were doing it and some schools were not. We are being more consistent with our programming that way. We are looking to even off class sizes. There is a significant disparity in population between Cranston High School East and Cranston High School West that is affecting class sizes. We are looking to balance that out.

Mr. Traficante stated - Superintendent, can you give us a print out of that also....where these reductions are coming from?

Superintendent Nota-Masse stated – Yes

Mr. Traficante stated – I appreciate that.

Mr. Traficante stated – On page 5, *Certified and Non-Certified Pensions*. You are looking at 16.14% increase in your certified and a 10.25% in your non-certified. Are these carved in stone?

Mr. Balducci stated - Yes they are. Those are not percentage increases; it is the actual rate that Cranston will pay on behalf of both their certified and non-certified staff. Just for comparable purposes, currently for certified administrators, we are paying 16.08%, so it is going from 16.08% to 16.14%. A very minor rate increase going into next year. On the non-certified side, it is actually

going down. I do not have the figure currently that the District is paying this year but the 10.25% is actually a reduction of the percentage rate as compared to this year.

Mr. Traficante stated - Who determines these percentages?

Mr. Balducci stated – The Employees Retirement System of the State of Rhode Island. Normally in November, all Districts will be given their rates going into next year.

Mr. Traficante stated – What kind of amounts are we looking at in terms of these increases?

Mr. Balducci stated - If you go to page 78 in the back of the book, In the middle of the page, that is mostly our benefits section. Right in the middle you will see *Teacher/Administrator Pension*. If you go the far right, you will see an increase of \$428,000. That is our monetary impact of the rate change from this year to next year. At the same time, if you look at a couple of accounts below that, you will see the description called *MERS Pension*. You will see a \$31,000 reduction. That rate is going down next year as compared to this year. There is some budget savings going into next year.

Mr. Traficante stated – They are carved in stone then?

Mr. Balducci stated – They are.

Mr. Traficante stated – How about our health insurance. They were going up 7%?

Mr. Balducci stated – The initial range given to me was anywhere between 7-11% I took the low end of it right now and budgeted 7%. Is that set in stone? No. We will receive our final rate adjustments usually in the April time frame. As we go deeper into the budget process, I will have a better idea what that rate adjustment will be going into next year.

Mr. Traficante stated – So that is flexible then?

Mr. Balducci stated – It is.

Mrs. Ruggieri stated – Last year, our Collaborative came to us with a fairly large increase. What is the reasoning behind this size increase when we see the City side, their Collaborative has gone up about 2%? It is just concerning to me that every year for the past couple of years they have come back to us with some pretty large increases and not sure if it is working for us anymore.

Mr. Balducci stated – Regarding last year, I think you are correct. Originally they said 15%, but in further conversations, they agreed to bring it down to 5%. I believe part of that conversation was the fact that the surplus dollars we maintained with them last year, which at that time we were in the 3 million dollar of cash on hand with them. I believe they factored that in as well. We had some surplus, so we could afford it. Last year, we had a deficit for the year, so now our 3 million dollars is around 1.5 million currently. I think that is a concern. Unfortunately, we are going in the opposite direction the last few years. They are also looking at the claims. We are self insured so at the end of the day, we are responsible for the payment of claims. That, plus what underwriters

are seeing at Blue Cross, what they are seeing in the industry. I think those are the major factors with the projection going into next year.

Mrs. Ruggieri stated – What would it be for us to shop around for rates?

Mr. Balducci stated - If we look around at the other Collaborative, we are self insured so Cranston is always going to be responsible for its claims. Shopping from one Collaborative to another it is possible that you are looking at what type of administrative rate we would pay to Blue Cross. We have Blue Cross administering our plans/claims. They charge us \$20.00 per person, per month to administer the claims. We would have to compare administrative claims. That would be one area we would look at. What type of services another Collaborative may offer that our current Collaborative does not.

Mrs. Ruggieri stated – Are we tied as a District to being self insured?

Mr. Balducci stated – Most school districts and municipalities are self insured versus what is defined as “premiums based”. Personally, I think being self insured is the way to go. Again, at the end of the day if Blue Cross is going to charge us \$18,000-\$20,000 for a family plan, and we do not use all of the \$20,000. With all due respect, I do not think Blue Cross is going to give us a check back. Being self insured, it goes both ways. You will have good years and fortunately, you will have bad years. At the end, you have more flexibility on what your plan looks like. Unfortunately, the last couple of years it has not gone our way. Before that we were experiencing some really nice surpluses.

Mr. Traficante stated - On page 6, under *Certified Administrators*. We budgeted 3.9 million last year and were up to 4 million this year. It is approximately a half million dollar increase. What does that include? Does it include the salary adjustments we made? We have in the proposed budget \$4, 454,000.

Mr. Balducci stated – You are comparing that against last year?

Mr. Traficante stated – Yes I am.

Mr. Balducci stated - Yes. My quick answer without looking at how last years number was derived, I would say yes. It would be bringing everybody up to a step scale and or a raise as well.

Mr. Traficante stated – I thought it was. I just wanted to clarify. On the Secretaries, we budgeted 2, 253,000 and we reduced it by \$100,000. You budgeted 2,133,000. We have not even negotiated with them yet. Why the reduction?

Mr. Balducci stated – Cut in staff.

Mr. Traficante stated – We reduced secretaries? How many?

Mr. Balducci stated – Approximately 3-4 positions. If you do the math, depending on what level you are looking at \$35,000-\$45,000 for a full-time, 12 month secretary.

Mr. Traficante stated - On that same page, *All Other Costs*, which include subs, overtime, coaches, new hires. We budgeted 6.4 million the previous year. This year we budgeted 3.9 million. That is a big reduction. Where did that come from?

Mr. Balducci stated – If you recall, from last year to this year, we had to make some assumptions. What it would cost us for the 6th grade move back to the middle school and then also implemented all day kindergarten. Those two areas were about 3 million dollars. I did not feel comfortable putting it into the salary line. So for presentation purposes on this page, I put it under *Other Costs*. Then what happens is when the new hires took place and so forth, reallocated those dollars to the salary lines where they need to be. For budget presentation purposes, I put it in that category.

Mr. Traficante stated – Under *Employee Benefits*. We went from a 34.5 million to 38.1 million. That is an increase of about 4 million. That includes I assume life insurance, FICA, Medicare, etc. That is a big jump.

Mr. Balducci stated – I would have to get back to you on that response. I do not know off the top off my head.

Mr. Traficante stated – No problem

Mrs. Culhane stated - I was just thinking that maybe it is for the benefits for the addition of all day Kindergarten?

Mr. Balducci stated - Thank you, Stephanie, but no. It was both the salary and related benefits I thought that other.....that 3 million dollar figure.

Mrs. Culhane stated – Okay.

Mr. Traficante stated – You already answered the question about *Debt Service*, so that is one less question. *Purchased Services* on page 6 of 11. You went from 5.4 million to 5.6 million. That is a couple of hundred thousand dollar increase. Where is the increase in the *Purchased Services* area? Any particular area that it would address?

Mr. Balducci stated - Are you referring to the last set, Location 43?

Mr. Traficante stated - Yes. Is that Special Education?

Mr. Balducci stated - Yes it is. *Outside Tuitions*.

Mr. Traficante stated – I didn't realize that Special Education came under *Purchased Services*.

Mr. Balducci stated - It is the UCOA code that defines an outside purchase.

Mr. Gale stated – Are you talking about 42 an 43?

Mr. Balducci stated – *Outside Tuitions* is both 42 and 43.

Mr. Gale stated - Okay. That is the Special Education that Traf just asked about.

Mr. Balducci stated - Yes.

Mr. Traficante stated – On page 69 of 84, I do not understand what is a *Transition Program*? You have Transition Program Teachers, speech therapist, social worker, occupational therapist, etc., etc., etc. What is the Transition Program?

Ms. Simpson stated – That is the program for children from 18-21, the Cranston Transition Program at the Norwood Avenue School. The CTE.

Mr. Traficante stated – Okay. Superintendent, ee hire a Speech Therapist from Head Start. We do not have our own?

Ms. Simpson stated – She is not from Head Start, she is ours, but she services students at Head Start. We are responsible.

Mr. Traficante stated – We pay her salary?

Ms. Simpson stated – Right. When they break down our therapist's salary they go by the schools that they service.

Mr. Traficante stated - It is less expensive to go there?

Ms. Simpson stated – Absolutely.

Mr. Traficante stated – Okay. My major concern every year is *Asset Protection*. We budgeted \$900,000 the previous year. You cut it \$100,000. That always concerns me because that is our only reliance to get things fixed and replaced because we do not have a bond to do it. Why the reduction?

Mr. Balducci stated – Let me talk positively first. If you recall, when we were trying to finalize this year's budget, we received an additional State aid that we did not anticipate. When we took care of all our other obligations, we did have some additional monies and we decided to put it in an *Asset Protection*. That line in the past would only be about \$200,000. The good news is we were able to squirrel away \$700,000 that normally we would not have had the opportunity to do so. That allowed us to take care of a project at Park View that was not going to be eligible for reimbursement, but needed to be done. That is the good news from last year to this year. In analyzing our needs and planning from this year to next year, I had to repurpose some dollars and that is where I took it from. Again, it has been at a level that we have not seen in quite some time. You are right. It was a reduction of \$100,000, but it is still at a level where we can do some additional projects that normally we would not have been able to take on.

Mr. Traficante stated – The reason I am concerned is because you know we ask for 1.7 million from the City. If we do not get that 1.7 million, it is going to impact line items such as that. That is what I am worried about. We are going to have very little money to do our repairs or replacement for the entire school department. That is my concern.

Mr. Balducci stated - We do have, which is new to the district for a couple of years old now, a Capital Reserve Fund. If you recall prior to us closing the books for the last couple of years, we have been able to make a transfer of a half a million dollars into that Capital Reserve. We are spending.

Mr. Traficante stated – Are you maintaining it?

Mr. Balducci stated - Right now, as we speak I believe that was the answer to a question. It has about \$530,000 remaining in it as of today. Depending on where the year goes, I am not sure if I can answer that.

Mr. Traficante stated – It might get tapped because of the reduction in monies.

Mr. Balducci stated – No it won't.

Mr. Traficante stated - We do not touch that at all?

Balducci stated – That is outside of the Operating Budget.

Mr. Traficante stated – Fantastic. That is good. My last question and maybe Ray is involved in this. Our Capital Budget, I know we asked the Mayor to support a 2.5 million dollar bond issue for the School Department. Where does that stand right now?

Mr. Votto stated – No. I think we asked the Mayor to increase. They have to go out to bond for the next two years. We estimated the increase to be around 3.5 million that they normally do for a two year....to go up to 5 million. I guess it is still being thought about next door. They have not committed to us yet.

Mr. Traficante stated - They have not committed?

Mr. Votto stated – No, they have not.

Mr. Traficante stated – They do realize that we have to spend half of it during a certain period of time. If we do not do that, we get penalized.

Mr. Votto stated – They not only realize that, but all the projects that we had planned for the next couple of years need 5 million dollars to complete. Obviously through inflation and the costs of projects have increased greater than the 3.5 million.

Mr. Traficante stated – When do you think we will get an answer?

Mr. Votto stated – I think the Superintendent reached out a couple of weeks ago. They are still thinking about the situation. They know that we are running out of time of creating and designing the projects for this particular summer.

Superintendent Nota-Masse stated – I revisited that and I spoke to the Mayor and his staff the day of the Budget presentation last Tuesday, very directly and they just said they are thinking about it.

Mr. Traficante stated - Joe and Ray, you did good.

Mrs. Ruggieri stated – Just to add on to that. We may need to send them something a little bit more specific, letting them know what the actual line would be for us to get designs in for projects. Maybe that makes them understand that they need to make a decision by a certain date. I just don't understand.

Superintendent Nota-Masse stated – We have done that. I also spoke to Director Coupe on Thursday morning. Ray and I spoke to him directly and talked about all that too. So, within a matter of two weeks, I have spoken to him. We can put it in writing.

Mrs. Culhane stated - I would like to see it in writing because as everyone recalls and I like to talk about it every year, we waited 9 years for the Mayor to float the bonds for the Park View Middle School Science lab. That was far too long. The people of the City voted on those bonds and had to wait 9 years for them to come to fruition. As we all know, with inflation suddenly what was supposed to be a certain amount is now double that. I think we should at this point make it an official correspondence. Sign it from the department and us as well, the School Committee.

Superintendent Nota-Masse stated - And the science labs still are not complete because like you said, once the projects are delayed.

Mrs. Culhane stated - Maybe they need to be reminded of that instance in that letter.

Mr. Turchetta stated - Equally as important, but a little bit lighter, but as important - middle school sports. In the future, are there assistant coaches budgeted for the middle school. I know Mr. Veazie and the other principals at the other middles schools are doing a great job keeping this sports thing going. This is so important for our kids and I just wonder if the assistants will be further budgeted.

Mr. Balducci stated - Currently we are not entertaining that. Again, that is a conversation that we would have Mr. Varrechione in consultation with the Superintendent and the School.

Mr. Turchetta stated - If 30 kinds are on any particular team, whether it is the high school or the middle school, supervision is supervision. I was just curious.

Mr. Gale stated- I have a couple of questions. Mr. Traficante actually asked a lot of mine, so it made it easier. Can you talk about in the Executive Summary *Purchased Services*? I know you talked about *Charter School Tuitions*, but if you could touch on why there were five increases in that category and what they are going for.

Mr. Balducci stated - Are you referring to the \$651,000?

Mr. Gale stated – Yes, and the *Special Education Outside Tuition* which I believe we already talked about. How about *Property Insurance* and *Building Repair and Maintenance*.

Mrs. Culhane stated – What page are you referring to?

Superintendent Nota-Masse stated – Page 4.

Mr. Balducci stated – Let me handle them individually. Again, *Special Education Outside Tuitions* we look at actual expenditures this year. I have made the assumption that the rates charged to Cranston by the outside placement, the rates will go up. I assume a 3% increase on the rate. That equates to the \$204,000 increase there. *Charter School Tuitions*, the \$651,000. We are taking RIDE's estimate of what they believe our enrollment will be at the outside Charter Schools. Again, as I mentioned earlier we are assessed \$8,500 (est) per. We are taking their projection, comparing it to what we actually have going to that particular school. Just taking the differential and multiplying it by the \$8,500.

Mr. Wall stated – So on the Charter Schools, how many additional students are we assuming in the next year will be attending Charter Schools? When you were speaking before to Mr. Traficante's question, I was using the \$18,000 per student, but that is not the figure you are using.

Mr. Balducci stated – Correct. If you refer to one of the responses, I believe Mr. Fusco's question. If you look at the response, you will see currently 339 student projection going into next year. If you back out our 91 going to our own Charter School, the rest is outside Charter Schools. As far as this year, compared to that, I am projecting probably 50 additional students. I can get you more exact and what we currently have out of district and compare that to what RIDE is telling us for next year.

Mr. Wall stated - I see that as a rather significant jump.

Mr. Balducci stated – It is.

Superintendent Nota-Masse stated – The last time we checked, it was just under 200.

Mr. Balducci stated – I will tell you that I do not use RIDE's assumption on Achievement First because their number has usually been higher than what the actual enrollment increase has been. I look at what the increase has truly been and use a percentage. I may look at RIDE's and they are telling me that the increase is going to be 60 students going into next year, I may just reduce it back to what I believe is a more comfortable increase based on prior experience.

Mrs. Culhane stated - Can you explain a little bit. That number is completely encumbered, correct? That is not a line item that we can draw from throughout the year, correct? That is set by RIDE, mandated and we cannot touch that number. The Charter School number that we get from RIDE they tell us we have to set aside.

Mr. Balducci stated – Correct. The only adjustment we can make is what Charter Schools bill us four times a year. If there is a change in enrollment from one quarter to the next, that is the only flexibility we have. The dollar amount is correct.

Mrs. Culhane stated – That ends up being millions of dollars that we cannot use for our own students?

Superintendent Nota-Masse stated – This is an assumption. This number could go up. That happened last year. There were some programs we were not aware of that students were going to and in November we got a bill. I totally get where you are going with this, but it could be worse. It is best to kind of leave it and then if it balances out at the end of the year, but quite honestly we have tried to keep that variance very narrow.

Mr. Traficante stated – We have a cap and cannot go above 192 with the Charter School, but other school systems do not have that cap. That is why she said in some cases it could go up.

Mr. Gale stated – Could you talk about the *Transportation, Property Insurance and Building Repair and Maintenance*. What are the reasons for those increases?

Mr. Balducci stated – Starting with the Property Insurance...the \$75,000 increase. Currently, I am making the assumption that the rate we pay to our outside insurance company will go up 10%. Again, that is an area that I will not know the final dollar amount increase until probably late April. It has been my practice at the beginning of the budget to use a 10% increase and then see where it goes as we get further into the budget process. The *Building Repair and Maintenance*, we are doing more in house and unfortunately our buildings needs more. As I mentioned to Mr. Traficante, where I had to steal some of the *Asset Protection* monies, that \$100,000 reduction. That is actually where it is going to the *Building Repair and Maintenance* Accounts because we are spending more to maintain our buildings. That is a good example of where I took it from one account and put it in another.

Mr. Gale stated - On page 5 of 11, I just noticed from Cranston High School East, there was an increase in equipment of \$26,000. I don't know if you personally get down into that dollar for what that equipment is, but if you do know I would like to know what that is.

Mr. Balducci stated - What happens when I start to build the budget, we give each of the schools a per-pupil allocation. I am just going to say for East it may be \$100,000 to spend on all of its students, supplies, materials, text books and capital. I asked them for the three categories, Supplies, Text Books and Equipment, how they plan on using those funds. From year to year, they may have decided to spend more in equipment and not in the other column. That is just a budget to budget comparison. It is hard right now to ask me or East how they plan on spending it. They will know that better once they get to the beginning of the year.

Mr. Gale stated – One Page 9 of 11, under *Miscellaneous Expenditures* and *District wide Employee Benefits*, could you review that again? The increase in the salaries and other compensation of 2.5 million dollars.

Mr. Balducci stated – The lion share of that is the 2 million that we are increasing health from about \$400,000, as I mentioned in the increase of the certified pension. That will probably get you close to that 2.5 million. That is the lions share. The increase of health and also the net increase between certified and non-certified pensions.

Mr. Gale stated – I did the math with the percentage of the total proposed budget and that is almost 2%. To me that seems like a lot to put into a miscellaneous category. I do not know if you could put that into other line items where it would be more visible next year. Just a thought.

Mr. Balducci stated – Thank you.

Mr. Gale stated - I noticed when I was looking at the line items for the *Expenditures* for the schools in my ward and I noticed that everyone for the elementary schools had a reduction in drivers' salaries and special education drivers salaries. Is that the same thing where they get a lot of money and the budget as best they can or is there a reason why they are reduced?

Mr. Balducci stated - Pre UCOA, I had the luxury of just budgeting *Drivers Salaries* in one location. Post UCOA, they require that I allocate the drivers salaries right down to the school level. At the end of the day, my bigger concern is that I do not overspend on Drivers Salaries in total. Let's say it is 2 million dollars. When I am trying to allocate the 2 million dollars, I look to see how it was spent in the prior years so you will see some significant budget swings compared to what I thought I needed one year versus what I actually spent. I am just adjusting that budget going into the following year based on prior year's activity. Again, I want to make sure I am not overspending 2 million dollars if that is what it is costing me. How I get there, I make some assumptions from year to year.

Mr. Gale stated – Just for example, Edgewood Highlands Special Education Drivers salaries were reduced by \$19,000. That is kind of a little budgeting trick so to speak. If needed, that money will be put back into Edgewood Highlands budget, correct?

Mr. Balducci stated - the \$19,000 reduction, I looked at the last 3 years to see how it has been trending. I made the assumption last year when we were building the budget that I needed an additional \$19,000 in that account and I actually did not. So going from this year to next year, I am hopefully aligning it to where it has been spent the last 3 years. That is the reason for the reduction.

Mr. Gale stated - I am all set. Thank you.

Mr. Wall stated - If you would, turn to page 55 of 84 in the back. There is a line on that page; *East Testing* and there is also one on the West section, but let me start there. What does that line entail? Do we know what is included in that line item?

Superintendent Nota-Masse stated – Because of our assessment budget and because UCOA is broken down by each school, that includes the cost we have to pay for mandatory testing, like STARR, Progress Monitoring assessments that we do. It pays for things like that. We do not incur any costs for the PARC tests.

Mr. Wall stated - I am looking at 2016 and I noticed that the figure has the parenthesis around it. When I see that I assume that there was a decrease. What happened on that?

Mr. Balducci stated – At the end of the day I made an adjustment, so I had to reallocate some actual expenditures and it showed that we actually did not even spend any money in that account,

which is incorrect. That is the only reason it shows a negative. I probably took more dollars than I should have in actual expenses and put it one of the other testing accounts. I probably made an adjustment higher than what I should have.

Mr. Wall stated – I am not a person who does budgets or anything like that, but that means pretty much that nothing was spent in 2016? Now if I go down to 2017 and 2018, budgeted is \$18,000, which is a significant. Can you shed some light on why that is such a large jump?

Mr. Balducci stated – I would have to look at what caused a negative expenditure of the \$2,800. It has been our practice because of the UCOA, to allocate based on the number of students. Districtwide we probably spend about \$115,000 if you add up all the testing accounts. Because of UCOA, I have to allocate those dollars so I will probably do it on a per student basis. That is the reason for the \$18,000.

Mr. Wall stated – That was my question on the rather dramatic increase. If I look at on page 60, the same line for West, I see a more consistent increase. In 2015, it looks like you have \$4,300 and change. In 2016 you have \$10,000 and change. In 2017, you have \$18,000 and 2018 budgeted. It is a pretty consistent figure that increases over time. I was just curious on that. With East, I noticed that it is a rather big jump. If you would also turn to page 60 of 84 for a 504 Tutor for West. I am noticing that figure for 2014, 2015 and 2016 there is nothing in that line.

Mr. Balducci stated – Correct.

Mr. Wall stated – Then the next two years we are [INAUDIBLE]. What has changed? Do we have a student or students coming in?

Mr. Balducci stated – No. It is the world of UCOA. Pre-UCOA I would be able to budget districtwide for 504 tutoring, but UCOA has not required me to drill it down to the school level. I make the assumption that I am going to spend some money at West for tutoring purposes, but you can see for the last 3 years of actual I did not. If I do not spend it there, I may have made an assumption in another school that I may have only needed a \$1,000 and unfortunately I actually spent \$2,000. At the end of the day, I make sure in total that I stay within the total amount that we budget for 504 tutoring, but how I get there might be different from year over year.

Mr. Wall stated - Okay. Just curiosity. I saw an anomaly and I had to ask. If you go to page 61, there is a line that says *West Art Supplies*. It noticed that prior in 2014, 2015, 2016 actual, we are budgeting between \$5,300 - \$5,800. In 2017 and 2018, we are not budgeting any dollars. Have we accumulated a lot of art supplies?

Mr. Balducci stated – We did not. As I mentioned in response to Jeff's question, we give the school an allocation so we ask them to budget it in three major categories. When I say supplies and materials, it is all supplies and materials, including art. All their needs. When we actually spend those dollars, UCOA requires us to spend it in an area that we need it. For budget purposes I only start the year in the three major categories. I do not create the budget in an allocation of every single supply and material. You will probably see that same thing if you go to *Music Supplies* or *Textbooks*. I do not drill the budget that deep. I begin the process for three

categories and when the schools tell me this is how they plan on spending it, I actually charge it to the right account.

Mr. Wall stated - Okay that makes sense. If you go to page 55, I am looking at *East Custodial Sub Salary*. Do we have a figure that we pay our custodial subs? If a custodian is up, we have substitute custodians that come in? Is there a daily rate?

Mr. Votto stated - \$9.60.

Mr. Wall stated – Okay. I am looking at that and noticing that in 2014, the actual was about \$20,000. In 2015, the actual was about \$720. The actual last year in the 2016 budget, is \$907. In 2017 and 2018, we budgeted \$6,000, which to me seemed like a big jump.

Mr. Balducci stated – Because of UCOA, I have to make assumptions on where I am going to spend those dollars. I look at the size of the school. The good news is the last couple of years, we have not needed as much dollars in that area, but three years back we did. For budgetary purposes I make an assumption of what we are going to need. As a District, we may budget 1.3 million dollars for substitutes. The lion share of that is for teachers, but I need to worry about a couple of bargaining groups that we do we have subs for. How I allocate that is making an assumption. The way I look at it is at the end of the year make sure I do not overspend that total allocation, but how we place the dollars in the budget is at my discretion, but I am making some assumptions on the size of the school and prior years activity.

Mr. Wall stated – The way I look at it is it is a place holder, you are kind of holding it and reallocating it as you go along. I see certain anomalies that jump out and I am asking why am I assuming that there are so many substitutes needed during this year as opposed to last year when it seemed like we spent very little. That is why it jumps out at me.

Mr. Balducci stated – The term “placeholder” is a good analogy to use.

Mr. Wall stated - I think because West is going to be a similar situation, I am going to hold off and you made the answer clear. Thank you very much.

Mr. Traficante stated - The audit is complete for the year ending 2015 and 2016?

Mr. Balducci stated - It is.

Mr. Traficante stated – How did we do, black or red?

Mr. Balducci stated - We finished in the black. The good news, the comparison between what I closed the books with a \$340,000 surplus. The auditors did not make any adjustments up or down to that figure.

Mr. Traficate stated - Very good.

Mrs. Culhane stated – I am hoping that most of my questions were already answered, but I do not know if this one was. I am looking at items for all of the elementary schools. Most of them for the

General Ed Teacher Salary seem to have rather large increases of anywhere between \$16,000-\$32,000 in those line items. I am just wondering where the variance is coming from. There is a separate line item for kindergarten teachers so it does not account for that.

Mr. Balducci stated – You are looking at particular Teacher Salary accounts?

Mrs. Culhane stated – For instance, page 21 *Garden City Gen Ed Teacher Salary*, there is a variance of \$20,000 from last year. Looking at Woodridge School, they had a variance of \$19,000 and a \$23,000 at Stadium. I am just trying to see why each of the elementary schools has such a large variance for teachers' salaries.

Mr. Balducci stated – That is the combination of step increases coupled with a 2% raise from this year to next year.

Mrs. Culhane stated – That is not an increase in FTE's?

Mr. Balducci stated – No.

Mrs. Culhane stated – Okay.

Mr. Fusco stated – Most of my questions have been answered but I am going to go back to my earlier question that you kindly replied to through the email. Is it safe to assume that Special Education Out of District Placement is more expensive, but does it vary school by school if we put placement in?

Mr. Balducci stated - I will jump in and I know that Michele will probably add to it. It depends on the outside placement, but then on the services being provided to that student as compared to another student. It is a combination of both.

Mr. Fusco stated – It probably answers the next question. In some cases we are required to require a nurse, Speech Therapist, etc.

Ms. Simpson stated – Yes. There is one student who has a 1 on 1 nurse aide, so I would have to pay for that. If we have a visually impaired student who has Teacher/Vision impairment service, but they might go to a school that does not have that teacher, I would have to send my teacher or hire a different teacher to go there to provide that additional service.

Mr. Fusco stated – Thank you. I thought so, just needed additional clarification. I believe this one might be the same answer that you and given four or five times, under *General Supplies and Materials* for each of the schools, that is the same reasons given?

Mr. Balducci stated – It is. I didn't mention in any of the other questions, we given an allocation per student, somewhere in the \$60 odd dollar range for an elementary student and about \$70 per student at the secondary level because of the price of supplies is more expensive. I then work with Jim and we look at projected student enrollment going into next year. It is a mathematical equation taken per student amount times what we believe the projected enrollment will be next year. If you

see an increase, we are assuming some additional students. If you look at a decrease, we are assuming that there will be less students going there.

Mr. Fusco stated - I did what Mr. Gale did, I went through and looked at the elementary schools in my ward and the reason this one stuck out to me is because...like on page 15, *General Supplies and Materials* at Gladstone went down \$20,000, whereas for Arlington it was a \$3,000 decrease and Stadium it was \$500 and change. It was literally zeroed out in this budget. I know from 2016, it went up \$8,000 to 2017, so I don't know if it is a surplus. There was such a large decrease, which is why it stuck out to me.

Mr. Balducci stated - If you look at the \$20,000 and the three counts – *General Supplies and Materials* that did show a reduction of \$20,000 and then look at the account below it, *Text Books* that increased \$5,600. If you look at *Equipment*, it increased almost \$13,000. You would have to take the sum of all three. That is Gladstone telling me where they want to place their total allocation in next year's Budget. The net effect is probably about a \$2,000 reduction overall and that might be based on projected student enrollment. If you look at the plusses and minuses. This year, looking at the budget for 2017, they requested \$20,000 in the categories of *Supplies and Materials*, \$10,000 in Textbooks and \$3,300 in Equipment. When I asked that same question for budgeting for next year, they did say they did not need anything in supplies, which is probably not right, but for a placeholder that is what we did. They want \$15,000 in textbooks and \$16,000 in equipment. Year over year, you are correct there was a reduction of \$20,000, but the other two categories went up \$18,000 as compared to the \$20,000 reduction. The net effect is a \$2,000 reduction overall to the allocation we give Gladstone.

Mr. Fusco stated - I am assuming all the breakdown is because of UCOA so if during the year they say they do not need the \$15,000 in textbooks, we only needed \$10,000, we can put the \$5,000.

Mr. Balducci stated – If their allocation is \$30,000, I just make sure they do not overspend the \$30,000. How they get there is their prerogative.

Mr. Fusco stated – One more question, page 40. I am sure this is the same for the other middle schools, Bain Transportation and Purchased Services, is that First Student that we contracted with?

Mr. Balducci stated – Yes it is.

Mr. Fusco stated - Did we contract a flat fee or was there an increase year over year or is this just because you are reallocating based on the need?

Mr. Balducci stated - In working with Varrechione on what we believe we need, next year as compared to this year, we did assume a \$1,500 increase. The rate has not gone up, it is basically the usage.

Mr. Fusco stated – I know I asked this over the summer, but what year of the contract are we in?

Mr. Balducci stated – I will have to get back to you on that one. I will have it for you on Thursday night.

Mr. Fusco stated – Okay. With the update on the Transportation fleet, would we have buses in the future to cover this or will we still need to outsource?

Mrs. Ruggieri stated – It is not the number of buses, it is the schedule and the drivers because they have to be back for the elementary school kids run. They have to go back and forth for the different school runs. There are not enough drivers to cover all of that stuff or enough time for them to do it as well.

Mr. Fusco stated - I believe that is everything I had. Thank you.

Mrs. Ruggieri stated – Mine were all asked. If you come up with anything else, just email the Administration as quickly as possible so they can get back to us.

Announcement of Future Meeting(s) – January 26, 2017 and February 6, 2017

Mrs. Ruggieri stated – There is a time change for the February 6, 2017 meeting. The meeting will begin at 5:30 p.m. There is a City Council meeting that night that we need to try and get to.

Adjournment

A motion to adjourn was made by Mr. Wall; seconded by Mrs. Culhane. All were in favor. The meeting was adjourned at 8:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stephanie A. G. Culhane".

Stephanie A. G. Culhane
Vice Chairperson